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1. The procedure for Financial Accounting for Property was established at the [REDACTED] effective 16 September 1955. Physical inventories of Property on Hand and Property in Use were taken by employees of the Base and were reflected on the Stock Record Cards. The unit prices and monetary extensions of each line item reflected on the inventories were verified by members of the team. The Stock Record Cards were extended and the totals found to be in agreement with the inventory listings. Each document representing property transactions subsequent to the inventory was priced, extended, totalled, and coded by employees of the Logistics Office. The transaction code, extensions and addition of each document processed by the Logistics Office was verified by the Finance Office and the documents were then recapped by family group and entered in the Posting Journal for Property Transactions. At the close of the accounting period, 30 September 1955, the trial balance of the Stock Record Cards was found to be in agreement with the control accounts reflected in the General Ledger.

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2. Subsequent visits to the [REDACTED] revealed that the reconciliation of the Stock Record Cards to the balances reflected in the General Ledger Accounts as at 31 October 1955 required several days work by employees of the Base. However, it is felt that this served to point up common errors made in the maintenance of the Stock Record Cards and emphasized the necessity of accuracy in posting the cards and in the preparation of the documents. This is confirmed by the fact that the reconciliation as at 30 November 1955 was accomplished in a matter of a few hours.

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1. The procedure for the Financial Accounting for Property was established at the [REDACTED] effective 16 November 1955. Physical inventories had been taken as of 16 September 1955 and all transactions subsequent to this date had been posted to Stock Record Cards to arrive at the balance of Property on Hand and In Use as at 15 November 1955. The Stock Record Cards were listed and extended so as to form the basis for the opening entry on the property financial records. Extensions were verified by members of the team and a trial balance of the Stock Record Cards was found to be in agreement with the inventory listings. Each document representing property transactions subsequent to the institution of the procedure was priced, extended, totalled and coded by employees of the Logistics Office. The transaction code, extensions, and addition of each document processed by the Logistics Office was verified by the Finance Office and the documents then recapped by family group and entered in the Posting Journal for Property Transactions. At the close of the accounting period 30 November 1955, the trial balance of the Stock Record Cards was found to be in agreement with the control accounts reflected in the General Ledger.

2a. Considerable difficulty was experienced in balancing the Stock Record Cards to the General Ledger. This was due primarily to lack of document control, errors in recording unit prices on the supply documents, errors in posting to the Stock Record Cards, and errors in extension of the Stock Record Cards.

b. The [REDACTED] controls its documentation by the requisition number. It was stated that this was necessary in order to determine the status of the requisitions at any given time. However, in controlling by requisition number it was impossible to determine what documents should be reflected in the accounting procedure for property since there were lapses of hundreds of numbers in the vouchers submitted to Finance. This has been remedied by instituting a control series of numbers for the supply vouchers. This series will run in numerical sequence and all numbers must be accounted for in each accounting period.

c. Errors in pricing, posting and extending the Stock Record Cards were due to the inexperience of the employees preparing the documents and maintaining the Stock Record Cards. These will only be eliminated as the personnel gain experience.

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1. The [REDACTED] was visited during the period 3-13 November 1955. The purpose of the visit to the [REDACTED] was to review the logistical procedures with the view of determining the feasibility of bringing this station under financial accounting procedures for property. The survey consisted of reviewing logistical procedures, inspection of physical facilities including the Communications Base, a review of the Stock Record Cards, and a survey of the volume of documents processed through the Logistics Office.

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2. Handbooks [REDACTED] were discussed in detail with the Administrative, Finance and Logistics personnel at the station.

3. There seems to be some question as to whether the depot at [REDACTED] will serve as a strategic reserve depot serving the entire European Theatre or whether it will serve only to supply the components of the [REDACTED]. Until such determination is made, it is difficult to evaluate the capabilities of the Finance and Logistics personnel to implement the procedure for the financial accounting for property. If there is no increase in the volume of documents, it is felt that both offices have the capability to institute this procedure. However, any increase in volume would over tax the Finance Office to such an extent that the procedure could only be maintained at the expense of other requirements.

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4. In any event, before the procedure can be instituted, it will be necessary to inventory Property on Hand and In Use and to establish accurate Stock Record Cards. Logistics personnel are currently endeavoring to complete the inventories and to establish Stock Records. Mr. [REDACTED] intends to recommend the assignment of personnel TDY from Headquarters to assist in the establishment of the Stock Record cards.

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5. At the time it is determined to institute procedures for the financial accountability of property at the [REDACTED] consideration should be given to including under the procedures the property under the control of the Accountable Officer for the Office of Communications.

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1. The [REDACTED] was visited during the period 6-12 October 1955. The purpose of the visit to the [REDACTED] Station was to review the logistical procedures with the view of determining the feasibility of instituting the procedure for financial accountability of property. This review included a survey of the physical facilities, a review of the Stock Record Cards, and a survey of the volume of documents.

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2. Handbooks [REDACTED] were discussed in detail with the Administrative, Finance, and Logistical personnel at the Station.

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3. As a result of this survey and the discussions of the handbook, it is felt that the [REDACTED] Station will be in a position to implement the procedure for Financial Accounting for Property on or about 1 March 1956. It was also the opinion of the Finance personnel at the Station that procedures governing property authorizations could be initiated effective 1 July 1956 since this date would permit time for proper coordination with the Area Division Budget Officer at Headquarters relative to establishing property authorizations in connection with fiscal year 1957 allotments.

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4. The survey at the [REDACTED] Station included only the accountable records of the Logistics Office and did not include the records of the Office of Communications nor the records of T S S. At the time selected to establish the procedure for financial accountability for property at this Station, consideration also should be given to including under these procedures, property under the control of the accountable officers of these two offices.

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